

Message Text

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ACTION IO-14

INFO OCT-01 ISO-00 ABF-01 OMB-01 TRSE-00 OIC-02 AF-10

ARA-10 EA-10 EUR-12 NEA-10 SS-15 NSC-05 CIAE-00

INR-07 NSAE-00 L-03 SP-02 USIA-06 AID-05 EB-08

STR-06 CEA-01 PA-01 PRS-01 H-01 HA-05 COME-00

FRB-03 /140 W

-----124411 242221Z /70

P R 241946Z JAN 78

FM USMISSION USUN NEW YORK

TO SECSTATE WASHDC PRIORITY 9178

INFO USMISSION GENEVA

C O N F I D E N T I A L SECTION 1 OF 2 USUN 0207

TREASURY FOR BERGSTON

NSC FOR THORNTON

E.O. 11652: GDS

TAGS: EGEN, ECOSOC

SUBJECT: UN OVERVIEW MECHANISM

1. AN ORGANIZATIONAL SESSION OF THE COMMITTEE OF THE WHOLE HAS BEEN SCHEDULED FOR THE WEEK OF FEB 13. WELL-STRUCTURED PROPOSALS FOR SUBSTANTIVE DISCUSSION NEED TO BE PUT FORWARD IF THIS NEW GROUP IS TO BECOME A SUCCESS. PROPOSALS SHOULD

- 1) GIVE EVIDENCE THAT WE ARE WILLING TO TALK ABOUT SPECIFIC PROBLEMS OF INTEREST TO THE DEVELOPING WORLD, 2) HOPEFULLY HEAD OFF STERILE WRANGLING ON THE COMPOSITION OF THE GROUP AS OPPOSED TO ITS SUBSTANTIVE WORK, AND 3) LAST, BUT CERTAINLY NOT LEAST, START BUILDING A WORLDWIDE DEVELOPMENT CONCEPT UNDER WHICH "THEIR" PROBLEMS ARE "OUR" PROBLEMS AND VICE VERSA. MISSION SUGGESTIONS FOLLOW BELOW.
2. A KEY ASPECT TO A SHORT LIST OF PROPOSALS IS TO HAVE THE RIGHT "MIX," FOR EXAMPLE, A BROAD UMBRELLA-TYPE SUBJECT UNDER WHICH WE CAN START THE HABIT OF A DIALOGUE ON

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MUTUALITY OF INTERESTS RATHER THAN ON THE HITHERTO RXCLUSIVE FOCUS ON ISSUES BETWEEN DEVELOPED AND DEVELOING COUNTRIES, SOMETHING OF REGIONAL INTEREST, SOMETHING OF OBVIOUS INTEREST TO THE DEVELOPED COUNTRIES AND SOMETHING OF WELL-KNOWN INTEREST TO THE DEVELOPING COUNTRIES. A SUGGESTED SHORT LIST RUNS AS FOLLOWS: A) EMPLOYMENT, GROWTH AND BASIC NEEDS: A ONE-WORLD PROBLEM; B) AFRICAN TRANSPORT AND COMMUNICATIONS

DECADE; C) DEVELOPMENT OF OIL RESOURCES IN NON-OIL PRODUCING LDC'S; D) CODES OF CONDUCT FOR TNC'S AND TRANSFER OF TECHNOLOGY.

3. IN KEEPING WITH PRESIDENT CARTER'S STATE OF THE UNION MESSAGE IN WHICH THE PRESIDENT SPOKE OF THE BASIC HUMAN RIGHTS TO A JOB, WE WOULD LIKE TO SUGGEST THAT THE US PUT FORWARD EMPLOYMENT -- THE NEED EVERY COUNTRY HAS TO OFFER ITS PEOPLE THE RIGHT TO PRODUCTIVE WORK AND GAINFUL EMPLOYMENT -- AS A TOPIC FOR DISCUSSION BY THE COMMITTEE OF THE WHOLE. THIS TOPIC IS ALREADY THE SUBJECT OF A MAJOR INTERNATIONAL AGREEMENT -- THE DECLARATION OF THE 1976 ILO TRIPARTITE WORLD CONFERENCE ON EMPLOYMENT, INCOME DISTRIBUTION AND SOCIAL PROGRESS. THE ISSUE OF EMPLOYMENT UNDERLIES A HOST OF OTHER FAMILIAR UN ISSUES, SOME OF WHICH HAVE PROVED PARTICULARLY INTRACTABLE, SUCH AS INDUSTRIAL REDEPLOYMENT AND LDC VIEWS ON TRADE PREFERENCES. YET, IT MAY WELL BE THAT SUCH ISSUES ARE DIFFICULT PRECISELY BECAUSE THEY HAVE NOT BEEN DISCUSSED IN THEIR OBVIOUS CONTEXT -- THAT THE PROBLEM OF THE JOBLESS IN CHICAGO IS RELATED TO THE HUNGRY AND UNEMPLOYED IN CARACAS AND CALCUTTA AND WILL BECOME EVEN MORE SO IN THE FUTURE. PROPOSAL OF THIS SUBJECT AS A TOPIC FOR THE COMMITTEE OF THE WHOLE WILL ALSO DEMONSTRATE THE LIMITS OF OUR OWN CAPACITIES WHILE UNCOVERING SOME COMMON GROUND WE SHARE WITH MANY DEVELOING COUNTRIES, PARTICULARLY OUR NEIGHBORS IN LATIN AMERICA. IT MIGHT EVEN BE AN ADDITIONAL FORM OF PLACING MORAL PRESSURE ON GERMANY AND JAPAN TO STIMULATE

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THEIR ECONOMIES MORE ACTIVELY.

4. SELECTION OF THE EMPLOYMENT TOPIC WOULD ALSO HAVE THE FOLLOWING ADVANTAGES:

- 1) THE "BASIC NEEDS STRATEGY" IS THE UNDERLYING PREMISE OF THE ILO PREPARATORY WORK OF THE 1976 CONFERENCE CONTAINED IN THE REPORT EMPLOYEMENT, GROWTH AND BASIC NEEDS: A ONE-WORLD PROBLEM;
- 2) MOST OF THE DOCUMENTATION TO SUPPORT THE DISCUSSION HAS ALREADY BEEN PREPARED IN A FORM GENERALLY ACCEPTABLE TO US (THE PREVIOUSLY-MENTIONED ILO REPORT) AND DISCUSSION COULD PICK UP FORTHWITH FROM WHERE IT ENDED IN GENEVA IN JUNE 1976; THERE WOULD BE NO NEED FOR THE SECRETARIAT IN NEW YORK TO PREPARE DOCUMENTATION FOR THE DISCUSSION AND HENCE LOSE MOMENTUM ON THE OPENING WORK OF THE NEW COMMITTEE;
- 3) OUR INITIATIVE WOULD BE SEEN AS EVIDENCE OF A US COMMITMENT TO ECONOMIC HUMAN RIGHTS -- NOT JUST FOR AMERICANS BUT FOR OTHERS AS WELL;
- 4) THE ILO REPORT CUTS ACROSS ECONOMIC AND SOCIAL QUESTIONS, THE MELDING OF WHICH WE WISH TO ENCOURAGE WITHIN THE ORGANIZATIONAL STRUCTURE OF THE UN;
- 5) THERE IS THE OPTICAL BONUS OF HAVING THE US,

AFTER ANNOUNCING WITHDRAWAL FOR THE ILO, USE THE
WORK OF THAT ORGANIZATION AS A BASIS OF DISCUSSION FOR
THIS IMPORTANT NEW GROUP.

5. ANOTHER "HABIT" THAT WE THINK WE SHOULD TRY TO
INTRODUCE INTO DISCUSSIONS OF THIS GROUP IS THAT OF REGIONAL
PERSPECTIVE OF PROBLEMS. AT CIEC ALL PARTICIPANTS AGREED
THAT THE AFRICAN CONTINENT IS PARTICULARLY DISADVANTAGED
WITH RESPECT TO TRANSPORT AND COMMUNICATIONS INFRASTRUCTURE
CAUSING A SERIOUS IMPEDIMENT, AMONG OTHERS, TO SUCH HIGH-
PRIORITY GOALS AS EXPANDING FOOD AND OTHER AGRICULTURAL
PRODUCTION. THE AFRICAN TRANSPORT AND COMMUNICATIONS
DECADE (1978-1987) BEGINS THIS YEAR AND A UN CONFERENCE
UNDER JOINT ECA-ADB AUSPICES IN COOPERATION WITH WORLD BANK,
THE UNDP AND OTHER APPROPRIATE INSTITUTIONS SHOULD BE CONVENED
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THIS YEAR.

6. IN A SPIRIT OF FOLLOWING UP ON CIEC AGREEMENTS, THE
COMMITTEE OF THE WHOLE UNDER ONE OF ITS WORKING ARRANGE-
MENTS MIGHT BE ASKED TO DISCUSS THE SUBJECT IN ORDER TO

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FRB-03 /140 W

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P R 241946Z JAN 78
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C O N F I D E N T I A L SECTION 2 OF 2 USUN 0207

TREASURY FOR BERGSTON
NSC FOR THORNTON

PREPARE FOR A MORE EFFECTIVE CONFERENCE. GOVTS COULD EXCHANGE VIEWS AS TO WHAT IS NEEDED, AND WHAT ASSISTANCE GOVTS CAN PROVIDE. SUCH AN EXCHANGE IN THE COMMITTEE OF THE WHOLE (OR AN AD HOC SUB-GROUP) COULD PERMIT PARTICIPANTS IN THE ECA-ADB MEETING TO BE READY WITH CONCRETE PROPOSALS, AND HENCE MATERIALLY ADVANCE PROGRESS IN THE DECADE.

7. A TOPIC OF OBVIOUS INTEREST TO THE DEVELOPED COUNTRIES IS THE DEVELOPMENT OF OIL RESOURCES IN NON-OIL PRODUCING DEVELOPING COUNTRIES. NEEDLESS TO SAY, THE LATTER ARE INTERESTED AS WELL. MOST OF THESE COUNTRIES CONSUME LITTLE ENERGY RELATIVE TO THE DEVELOPED INDUSTRIALIZED COUNTRIES. BECAUSE THEY ARE GREATLY IN NEED OF REVENUES FOR INTERNAL DEVELOPMENT, THEY WILL PROBABLY SEEK TO EXPORT AS MUCH OIL AS POSSIBLE, THUS INCREASING THE WORLD'S OIL SUPPLY. A GAO REPORT ENTITLED MORE ATTENTION SHOULD BE PAID TO MAKING THE US LESS VULNERABLE TO FOREIGN OIL PRICE AND SUPPLY DECISIONS WHICH WAS JUST ISSUED JAN 3, 1978 HEAVILY CRITICIZES THE PREVALENT ASSUMPTION THAT INCREMENTAL INCREASE IN US IMPORTS OF FOREIGN OIL MUST COME FROM
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PRESENT OPEC PRODUCERS, CHIEFLY THOSE OF THE MIDDLE EAST. THE GAO REPORT URGES THAT PARTICULAR ATTENTION SHOULD BE GIVEN TO DEVELOPING OIL RSOURCES IN DEVELOPING COUNTRIES AND GIVES SPECIFIC EXAMPLES OF POLICY ACTION THAT COULD BE UNDERTAKEN TO STIMULATE INCREASED EXPLORATION AND DEVELOPMENT IN NON-OPEC LDC'S. SUGGESTING THIS TOPIC FOR DISCUSSION BY THE COMMITTEE OF THE WHOLE WILL AT LEAST PERMIT ONE MORE ACTION TO BE LISTED IN THE EXECUTIVE BRANCH'S REPLY TO THIS REPORT WHICH IS DUE FOR SUBMISSION TO THE GAO BY JULY 1, 1978.

8. ONE SPECIFIC AREA THAT COULD BE DISCUSSED UNDER THIS TOPIC IS GREATER INVOLVEMENT OF THE UN REVOLVING FUND FOR NATURAL RESOURCES EXPLORATION. THIS IS A VOLUNTARY FUND IN OPERATION ONLY SINCE 1975, THE PURPOSE OF WHICH IS TO ENABLE DEVELOPING COUNTRIES WHO ARE UNABLE TO FINANCE EXPLORATION OUT OF THEIR OWN LIMITED RESOURCES TO LOCATE MINERAL RESERVES AND ASSESS THEIR ECONOMIC VALUE. IN CONFORMITY WITH THE "REVOLVING" CHARACTER OF THE FUND, GOVTS RECEIVING ASSISTANCE UNDERTAKE TO PAY BACK THE FUND IN THE EVENT THAT ITS ACTIVITIES LEAD TO ACTUAL COMMERCIAL PRODUCTION WITHIN 30 YEARS AFTER THE START OF EXPLORATION. IN PRINCIPLE, THE FUND MAY UNDERTAKE EXPLORATION OF ALL TYPES OF MINERALS. HOWEVER, AT THE PRESENT TIME, WITH ITS AS YET RATHER SMALL CAPITALIZATION (ABOUT \$20 MILLION), THE FUND'S WORK IS FOCUSED ONLY ON THE SEARCH FOR SOLID MINERALS. THE US HAS CONTRIBUTED THUS FAR A MODEST \$3-1/2 MILLION. OUR APPROACH TO THIS SUBJECT MIGHT INCLUDE A US INITIATIVE TO STIMULATE MORE SUBSTANTIAL FUNDING FOR THE REVOLVING FUND TO PROMOTE EXPLORATION WHILE AT THE SAME TIME TAKING

DOMESTIC INITIATIVES (TAX INCENTIVE, INTENSIFIED OPIC INVOLVEMENT) TO ENCOURAGE COMMERCIAL PRODUCTION IN NON-OIL PRODUCING DEVELOPING COUNTRIES. THE USE OF THE UN REVOLVING FUND SHOULD BE LOOKED AT MORE CLOSELY AS A CONFIDENTIAL

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MEANS OF OVERCOMING THE SUSPICION MANY DEVELOPING COUNTRIES HOLD VIS-A-VIS LARGE OIL COMPANIES, PARTICULARLY IN THE HIGH RISK EXPLORATION PHASE. DEALING WITH A "DISINTERESTED" UN FUND ON A REPAYMENT BASIS MAY BE MORE ATTRACTIVE TO DEVELOPING COUNTRIES THAN TAKING ON MNC'S.

9. THE REMAINING TOPIC ON THE ABOVE-MENTIONED SHORT LIST IS THE COMBINED QUESTION OF THE CODE OF CONDUCT ON TNC'S AND THE CODE OF CONDUCT ON TRANSFER OF TECHNOLOGY. THESE ISSUES ARE OF INTEREST TO THE DEVELOPING COUNTRIES. (THE LATTER OF THE TWO CODES APPEARS AS AN ITEM ON THE "PARA 12" LIST.) WHILE THE COMMITTEE OF THE WHOLE WOULD CERTAINLY NOT WANT TO INTERVENE IN THE ONGOING NEGOTIATIONS OF THE TWO DISTINCT GROUPS CURRENTLY DISCUSSING THESE ISSUES, IT WOULD BE ENTIRELY APPROPRIATE FOR THE COMMITTEE TO HANDLE AN ASPECT COMMON TO BOTH NEGOTIATIONS, NAMELY, THE LEGAL NATURE OF THE TYPE OF "CODE" WE ARE TALKING ABOUT. IN BOTH INSTANCES SPARRING GOES ON WITHIN THE GROUPS AS TO WHETHER WE ARE DISCUSSING A LEGALLY BINDING AGREEMENT, A VOLUNTARY AGREEMENT, GUIDELINES OR WHAT. IN THE CASE OF CORRUPT PRACTICES, WHICH IS ONE ASPECT OF THE BROADER QUESTION OF TNC'S, THE US IS PUSHING FOR A LEGALLY BINDING AGREEMENT WHILE WE INSIST THAT THE BASIC CODE FOR TNC'S BE NON-BINDING. CODES OF A MIXED LEGAL NATURE (A "ZEBRA" CODE IN WHICH SOME PARTS ARE BINDING, SOME VOLUNTARY) IS SOMETHING UNDER SECRETARY COOPER ALLUDED TO IN HIS STATEMENT BEFORE THE SECOND COMMITTEE HERE THIS FALL AND SHOULD BE EXPLORED FURTHER. OUR INITIATIVE IN RAISING THIS BROAD ISSUE AT THE HIGH LEVEL OF THE COMMITTEE OF THE WHOLE WOULD BE AN INDICATION OF OUR WILLINGNESS TO DEAL WITH THESE ISSUES SERIOUSLY. RIGHTLY OR WRONGLY, OUR POSITION ON BOTH OF THE CODE EXERCISE HAS BEEN PERCEIVED BY THE DEVELOPING COUNTRIES AS ONE OF STONEWALLING. AN ADDED BENEFIT OF A US WILLINGNESS TO DISCUSS THESE ISSUES COULD BE A MORE POSITIVE ATTITUDE IN MOVEMENT ON THE CORRUPT PRACTICES AGREEMENT WHERE THE G-77 HAVE BEEN TRYING TO USE US INTEREST IN THIS AGREEMENT AS A LEVER FOR MOVEMENT

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ON THE BROADER TNC CODE.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ORGANIZATION & MANAGEMENT, COMMITTEE MEETINGS
Control Number: n/a
Copy: SINGLE
Draft Date: 24 jan 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978USUNN00207
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D780036-0401
Format: TEL
From: USUN NEW YORK
Handling Restrictions: n/a
Image Path:
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Legacy Key: link1978/newtext/t19780127/aaaaawlw.tel
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Litigation History:
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Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 6
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Previous Handling Restrictions: n/a
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Review Content Flags:
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Review Event:
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Secure: OPEN
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TAGS: EGEN, AORG, ECOSOC
To: STATE
Type: TE
vdkgvwkey: odbs://SAS/SAS.dbo.SAS_Docs/b4d8a1e0-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014